

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

00 14

2. STATE:

Kentucky

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)

Medicaid

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

10/01/00

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.272

7. FEDERAL BUDGET IMPACT:

a. FFY 01 \$ 5 million

b. FFY 02 \$ 5 million

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

4.19-A, page 12

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

None

10. SUBJECT OF AMENDMENT:

Reimbursement for Inpatient Hospital Services

GVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:

Review delegated to the Commissioner,
Department for Medicaid Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Dennis Boyd

14. TITLE:

Commissioner

15. DATE SUBMITTED:

10/20/00

16. RETURN TO:

Dennis Boyd, Commissioner
Department for Medicaid Services
275 East Main Street
Frankfort, KY 40601

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

December 22, 2000

18. DATE APPROVED:

August 3, 2001

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2000

21. TYPED NAME:

Eugene A. Grosser

20. SIGNATURE OF REGIONAL OFFICIAL:

22. TITLE:

Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

(15) Supplemental Payment for Urban Trauma Center Hospitals

Supplemental payments are provided for any Type III hospital as described in Attachment 4.19-A, Exhibit A, Section 102B.(d)(3) that qualifies as an urban trauma center hospital. A hospital qualifies as an urban trauma center hospital if it meets the following:

1. The hospital is designated as a Level I Trauma Center by the American College of Surgeons;
2. The hospital has a Medicaid utilization rate greater than 25%.
3. At least 50% of its Medicaid population are residents of the county in which the hospital is located.

An annual fixed payment pool will be established based on the state matching contribution made available for this purpose by other state sources. The payments will be made based on the following methodology:

Medicaid Patient Days X Available Funds = Payment
Total Medicaid Patient Days

Medicaid patient days included in the payment are a hospital's days reimbursed under fee-for-service attributable to recipients who are not eligible for services under the state's Section 1115 waiver. *Total Medicaid patient days* include all Medicaid patient days for all qualifying hospitals.

Medicaid utilization rate for the above calculation is the rate derived by dividing a hospital's total Medicaid days by the total patient days, which includes days reimbursed through a managed care entity and fee-for-service.

Any payments made under this section are subject to the payment limitation as specified in 42 CFR 447.271 whereby the total overall payments to an individual hospital during the rate year may not exceed the hospital's total charges for the covered services.

In the event that any payment made under this section is subsequently determined to be ineligible for federal financial participation (FFP) by the Health Care Financing Administration, the Department shall adjust the payments made to any hospitals to qualify for FFP.

(16) Upper Payment Limit

The state agency will pay no more in the aggregate for inpatient hospital services than the amount it is estimated would be paid for the services under the Medicare principles of reimbursement. Medicare upper payment limits as required by 42 CFR 447.272 will be determined in advance of the fiscal year from cost report and other applicable data from the most recent rate setting as compared to reimbursement for the same period. Cost data and reimbursement shall be trended forward to reflect current year upper payment limits.